

# **DISTRICT OF COLUMBIA**

## ***OFFICIAL CODE***

**2001 EDITION**

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**Volume 15**

**Title 29**

**Business Organizations  
(Subtitle II)**

**to**

**Title 31**

**Insurance and Securities  
(Chapters 1 to 9)**

**JUNE 2014 SUPPLEMENT**



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# PREFACE

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These annual cumulative pocket parts update the District of Columbia Official Code, 2001 Edition, with permanent, temporary, and emergency legislation and judicial constructions contained in annotations. These pocket parts contain the Laws, general and permanent in their nature, relating to or in force in the District of Columbia (except such laws as are of application in the General and Permanent Laws of the United States) in effect as of April 1, 2014.

This Supplement also updates the D.C. Code annotations by including notes taken from District of Columbia cases appearing in the following sources: Atlantic Reporter, 3d Series Supreme Court Reporter Federal Reporter, 3d Series Federal Supplement, 2d Series Bankruptcy Reporter.

Current legislation between pamphlets or pocket parts can be accessed online at [www.lexisnexis.com/advance](http://www.lexisnexis.com/advance), [www.lexisnexis.com/research](http://www.lexisnexis.com/research), and <http://dcclims1.dccouncil.us/lims>.

The unannotated District of Columbia Official Code can be accessed on the District of Columbia Council Website at <http://www.dccouncil.us>.

Later laws and annotations will be cumulated in subsequent annual Pocket Parts.

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DIVISION V. LOCAL BUSINESS AFFAIRS.

TITLE 29. BUSINESS ORGANIZATIONS.

Chapter  
6. General Partnerships.

CHAPTER 1. GENERAL PROVISIONS.

*Subchapter VI. Administrative Dissolution.*

§ 29-106.02. Procedure and effect.

**Section references.** — This section is referenced in § 29-102.08, § 29-102.10, § 29-106.01, § 29-106.03, § 29-708.01, § 29-708.10, § 29-807.01, § 29-807.06, § 29-1012.02, § 29-1012.13, and § 29-1208.01.

CASE NOTES

**Effect of dissolution.**  
Trial court erred by dismissing a lessee’s counterclaim for wrongful eviction on the ground that its interest in the leasehold had expired because the lessee did not cease to exist as a corporate entity when its articles of incorporation were revoked for less than two years; when the lessee entered into the extended lease agreement its powers under its articles were fully intact, and that was true up to the moment when its articles were revoked and after its articles were reinstated. *T.K., Inc. v. Nat’l Cmty. Reinvestment Coalition, Inc.*, 76 A.3d 895, 2013 D.C. App. LEXIS 636 (2013).

§ 29-106.03. Reinstatement.

**Section references.** — This section is referenced in § 29-106.02.

CASE NOTES

**Maintenance of actions.**  
Trial court erred by dismissing a lessee’s counterclaim for wrongful eviction on the ground that its interest in the leasehold had expired because the lessee did not cease to exist as a corporate entity when its articles of incorporation were revoked for less than two years; when the lessee entered into the extended lease agreement its powers under its articles were fully intact, and that was true up to the moment when its articles were revoked and after its articles were reinstated. *T.K., Inc. v. Nat’l Cmty. Reinvestment Coalition, Inc.*, 76 A.3d 895, 2013 D.C. App. LEXIS 636 (2013).

CHAPTER 6. GENERAL PARTNERSHIPS.

<i>Subchapter IV. Relations of Partners to Each Other and to Partnership</i>	Sec.	29-604.08. Actions by partnership and partners.
Sec.	29-604.09.	Continuation of partnership beyond definite term or particular undertaking.
29-604.02. Becoming partner.		
29-604.06. Partner's rights and duties with respect to information.		
29-604.07. General standards of partner's conduct.		

*Subchapter IV. Relations of Partners to Each Other and to Partnership.*

§ 29-604.02. Becoming partner.

- (a) Upon formation of a partnership under § 29-602.02(a), a person becomes a partner.
- (b) After formation of a partnership, a person becomes a partner:
  - (1) As provided in the partnership agreement;
  - (2) As a result of a transaction effective under Subchapter [subchapter] IX of this chapter or Chapter 2 of this title; or
  - (3) With the consent of all the partners.
- (c) A person may become a partner without:
  - (1) Acquiring a transferable interest; or
  - (2) Making or being obligated to make a contribution to the partnership.

(July 2, 2011, D.C. Law 18-378, § 2, 58 DCR 1720; Mar. 5, 2013, D.C. Law 19-210, § 2(f)(4)(B), (D), 59 DCR 13171.)

**Section references.** — This section is referenced in § 29-601.02.

**Effect of amendments.** — The 2013 amendment by D.C. Law 19-210 rewrote the section, which formerly read: “Distributions in kind. A partner shall have no right to receive, and shall not be required to accept, a distribution in kind.”

**Legislative history of Law 19-210.** — See note to § 29-601.02.

**Editor’s notes.**

Application of Law 19-210: Section 7 of D.C. Law 19-210 provided that the act shall apply as of January 1, 2012.

§ 29-604.06. Partner’s rights and duties with respect to information.

- (a) A partnership shall keep its books and records, if any, at its principal office.
- (b) A partnership shall provide partners and their agents and attorneys access to its books and records. It shall provide former partners and their agents and attorneys access to books and records pertaining to the period during which they were partners. The right of access provides the opportunity to inspect and copy books and records during ordinary business hours. A



partnership may impose a reasonable charge, covering the costs of labor and material, for copies of documents furnished.

(c) Each partner and the partnership shall furnish to a partner, and to the legal representative of a deceased partner or partner under legal disability:

(1) Without demand, any information concerning the partnership's business [activities] and affairs reasonably required for the proper exercise of the partner's rights and duties under the partnership agreement or this chapter; and

(2) On demand, any other information concerning the partnership's business [activities] and affairs, except to the extent the demand or the information demanded is unreasonable or otherwise improper under the circumstances.

(July 2, 2011, D.C. Law 18-378, § 2, 58 DCR 1720; Mar. 5, 2013, D.C. Law 19-210, §§ 2(f)(4)(C), (D), 59 DCR 13171.)

**Section references.** — This section is referenced in § 29-605.05.

**Prior Codifications.**

2001 Ed., § 29-604.03.

**Effect of amendments.** — The 2013 amendment by D.C. Law 19-210 redesignated former § 20-604.03 as § 29-604.06; and apparently intended to substitute “activities” for “business” twice in (c).

**Legislative history of Law 19-210.** — See note to § 29-601.02.

**Editor's notes.** — Uniform Law: This section is based on § 403 of the Uniform Partnership Act (1997 Act).

Section 2(f)(4)(C) of D.C. Law 19-210 redesignated former § 20-604.06 as § 29-604.09.

Application of Law 19-210: Section 7 of D.C. Law 19-210 provided that the act shall apply as of January 1, 2012.

## § 29-604.07. General standards of partner's conduct.

(a) The only fiduciary duties a partner owes to the partnership and the other partners are the duty of loyalty and the duty of care set forth in subsections (b) and (c) of this section.

(b) A partner's duty of loyalty to the partnership and the other partners include the following:

(1) To account to the partnership and hold as trustee for it any property, profit, or benefit derived by the partner in the conduct and winding up of the partnership business or derived from a use by the partner of partnership property, including the appropriation of a partnership opportunity;

(2) To refrain from dealing with the partnership in the conduct or winding up of the partnership business as or on behalf of a party having an interest adverse to the partnership; and

(3) To refrain from competing with the partnership in the conduct of the partnership business before the dissolution of the partnership.

(c) A partner's duty of care to the partnership and the other partners in the conduct and winding up of the partnership business shall be limited to refraining from engaging in grossly negligent or reckless conduct, intentional misconduct, or a knowing violation of law.

(d) A partner shall discharge the duties to the partnership and the other partners under this chapter or under the partnership agreement and exercise any rights consistently with the obligation of good faith and fair dealing.

(e) A partner does not violate a duty or obligation under this chapter or under the partnership agreement merely because the partner's conduct furthers the partner's own interest.

(f) A partner may lend money to and do other business with the partnership, and, as to each loan or transaction, the rights and obligations of the partner shall be the same as those of a person that is not a partner, subject to other applicable law.

(g) This section shall apply to a person winding up the partnership business as the personal or legal representative of the last surviving partner as if the person were a partner.

(h) All the partners may authorize or ratify, after full disclosure of all material facts, a specific act or transaction that otherwise would violate the duty of loyalty.

(i) It is a defense to a claim under subsection (b)(2) of this section and any comparable claim in equity or at common law that the transaction was fair to the partnership.

(j) If, as permitted by subsection (f) of this section or the partnership agreement, a partner enters into a transaction with the partnership which otherwise would be prohibited by subsection (b)(2) of this section, the partner's rights and obligations arising from the transaction are the same as those of a person that is not a partner.

(July 2, 2011, D.C. Law 18-378, § 2, 58 DCR 1720; Mar. 5, 2013, D.C. Law 19-210, §§ 2(f)(4)(C), (E), 59 DCR 13171.)

**Section references.** — This section is referenced in § 29-601.04, § 29-604.01, and § 29-610.03.

**Prior Codifications.**

2001 Ed., § 29-604.04.

**Effect of amendments.** — The 2013 amendment by D.C. Law 19-210 redesignated former § 20-604.04 as § 29-604.07; substituted "include" for "shall be limited to" in (b); substituted "does" for "shall" in (e); and added (h), (i), and (j).

**Legislative history of Law 19-210.** — See note to § 29-601.02.

**Editor's notes.** — Uniform Law: This section is based on § 404 of the Uniform Partnership Act (1997 Act).

Application of Law 19-210: Section 7 of D.C. Law 19-210 provided that the act shall apply as of January 1, 2012.

## § 29-604.08. Actions by partnership and partners.

(a) A partnership may maintain an action against a partner for a breach of the partnership agreement, or for the violation of a duty to the partnership, causing harm to the partnership.

(b) A partner may maintain an action against the partnership or another partner for legal or equitable relief, with or without an accounting as to partnership business, to enforce the:

- (1) Partner's rights under the partnership agreement;
- (2) Partner's rights under this chapter, including:
  - (A) The partner's rights under § 29-604.01, § 29-604.03, or § 29-604.04;
  - (B) The partner's right on dissociation to have the partner's interest in the partnership purchased pursuant to § 29-607.01 or enforce any other right under subchapter VI or VII of this chapter; or



(C) The partner's right to compel a dissolution and winding up of the partnership business under § 29-608.01 or enforce any other right under subchapter VIII of this chapter; or

(3) Rights and otherwise protect the interests of the partner, including rights and interests arising independently of the partnership relationship.

(c) The accrual of, and any time limitation on, a right of action for a remedy under this section shall be governed by other law. A right to an accounting upon a dissolution and winding up shall not revive a claim barred by law.

(July 2, 2011, D.C. Law 18-378, § 2, 58 DCR 1720; Mar. 5, 2013, D.C. Law 19-210, § 2(f)(4)(C), 59 DCR 13171.)

**Prior Codifications.**

2001 Ed., § 29-604.05.

**Effect of amendments.** — The 2013 amendment by D.C. Law 19-210 redesignated former § 20-604.05 as § 29-604.08.

**Legislative history of Law 19-210.** — See note to § 29-601.02.

**Editor's notes.** — Uniform Law: This section is based on § 405 of the Uniform Partnership Act (1997 Act).

Application of Law 19-210: Section 7 of D.C. Law 19-210 provided that the act shall apply as of January 1, 2012.

## § 29-604.09. Continuation of partnership beyond definite term or particular undertaking.

(a) If a partnership for a definite term or particular undertaking is continued, without an express agreement, after the expiration of the term or completion of the undertaking, the rights and duties of the partners shall remain the same as they were at the expiration or completion, so far as is consistent with a partnership at will.

(b) If the partners, or those of them who habitually acted in the business during the term or undertaking, continue the business without any settlement or liquidation of the partnership, they shall be presumed to have agreed that the partnership will continue.

(July 2, 2011, D.C. Law 18-378, § 2, 58 DCR 1720; Mar. 5, 2013, D.C. Law 19-210, § 2(f)(4)(C), 59 DCR 13171.)

**Prior Codifications.**

2001 Ed., § 29-604.06.

**Effect of amendments.** — The 2013 amendment by D.C. Law 19-210 redesignated former § 20-604.06 as § 29-604.09.

**Legislative history of Law 18-378.** — For history of Law 18-378, see notes under § 29-101.01.

**Legislative history of Law 19-210.** — See note to § 29-601.02.

**Editor's notes.** — Uniform Law: This section is based on § 406 of the Uniform Partnership Act (1997 Act).

Application of Law 19-210: Section 7 of D.C. Law 19-210 provided that the act shall apply as of January 1, 2012.











